

Flexible Solutions To Manage Rising STRS/PERS Costs



Rising STRS/PERS Rates

- STRS/PERS pension funds are facing major funding issues
- Lower than expected returns and increased longevity of retirees are having major impacts
- As a result, school district contributions are projected to increase significantly, and as much as double in the next six years

Implications for your School District

- Potential layoffs
- Reduced or delayed staff raises
- Cuts to existing academic programs

How does the Pension Stabilization Trust help?

- Invest funds and utilize interest return to buy-down future STRS/PERS rate increases
- Protect and reserve STRS/PERS funds for impending increases
- Funds are invested in one of six different investment portfolios based on risk tolerance
- Trust is managed by world-class professionals from Benefit Trust and Morgan Stanley



Why is the Pension Stabilization Trust optimal for CA public agencies?

- Provides an independent, discretionary trustee which contractually delegates fiduciary liability and protects management and the Board of Education from responsibility for investments
- Trust investments are designed with “principal preservation” as the primary focus
- Funds are easily accessed and available at any time for STRS/PERS contributions
- Pension Stabilization Trust team provides assistance in running investment report meetings in compliance with the Brown Act



For more information, please contact Roslyn Washington today at 310-212-0363 ext. 3610 or rwashington@keenan.com.